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ABSTRACT

Day care for children of working parents in the United States is labeled a "market failure" where supply and demand meet at a level that is substandard to almost all consumers. In this study of the issue of corporate child care, barriers to entry are discussed and a list is given of the range of service firms could consider. Among the barriers described is a value system that masks a hidden or blatant sexism blended with a lack of understanding of emerging lifestyles. The costs for an onsite child care facility are described as a barrier, as well as the issue of liability. While there is a question of equity, most workers recognize that all benefits are not used equally by employees. Among the benefits considered, employee morale, community health, public relations, and recruiting and retention of employees are considered. (JD)

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CORPORATE CHILD CARE:

THE WELLNESS INITIATIVE WHOSE TIME HAS COME

by: Robin Darst Hanus

Wellness Councils of America

An estimated 3,300 employers offer child care assistance. Many are hospitals or high growth companies that want to attract trained workers. John Naisbitt, author of Megatrends states in the newsletter Trend Letter the need for day care will accelerate as the labor shortage intensifies.

According to the U.S. Department of Labor, statistics from a 1987 survey concluded 11 percent of employers provide child care benefits. Of this 11 percent figure, 2 percent offer on-site or near-site care, 3 percent offer financial assistance. The remaining 6 percent offer counseling and information, job-sharing, or reimbursement of babysitting expenses for employees working overtime.

Child care services are linked to the wellness of our working parents and to our future workforce. While lip service is given to protecting and nurturing the future generation, a realistic but grim picture of the quality of child care is delivered by author Deborah Fallow's A Mother's Work in her research of child care delivery.

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R. D. Hanus

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

I speak passionately about the inadequacy of child care because I've experienced many abhorent conditions at numerous settings with my own precious cargo. Of no surprise to the workforce, the problem is money. Day care in America is called a "market failure" in economic lingo, where supply and demand meet at a level that is substandard to almost all consumers.

Wellness Councils in Milwaukee, Jacksonville, Omaha, and Columbia, S.C., have assisted their corporate membership in learning about the new thrusts in child care initiatives. Seminars offered to business have had encouragingly high enrollment lately. After all, child care and other family issues are indeed a part of wellness.

To assist you in an effort to study the issue of corporate child care, I will share some of the barriers to entry that exist from the decision-makers' angle and list the range of services your firm could consider and why.

Barriers to Entry

Just as with the journey to create corporate support for health promotion was difficult, child care presents numerous and similar obstacles to confront. From an executive's desk, the barriers to entry loom quite menacing. The corporate de-

cision makers first must face the reality of a changing workforce. Family issues are a priority for both male and female employees and at all levels of the organization chart.

A. Value Systems

The value systems of the senior management may reside in the "why do these gals work?" category. The hidden or blatant sexism blended with the lack of understanding of emerging lifestyles and downwardly mobile society contribute to this roadblock. Fortunately, executives are becoming more sensitized, in part by their childrens' influence, as they experience the struggles with child care.

B. The Double Bind for Women

We want to be accepted as a serious player, with management potential. To admit family interference with a job is threatening in some corporate cultures. Women are still trying to prove we are here for the long haul, so child care problems are denied or under reported. Studies state people don't project child care as a problem as it may reflect poorly on their own organizational skills.

C. Capital Investment

The start-up costs for an onsite facility may be as high as $500,000, and as low as $50/year per child. Most centers operate on a slim profit margin. I contacted three corporate child care centers, each with over eight years of operation. All three have always operated in the black with superb staff/child ratios.

D. Liability Issue -- Exposure to Risk

The cases in the media grab our attention, but no award to any suit against a corporate-sponsored child care center has ever been granted. In the tragedy of a Sudden Infant Death loss at a corporate child care center, the parents donated their child's toys and clothes to the center because the staff had been so compassionate at the time of loss.

The insurance coverage expense in the corporate child care centers I contacted was no more than their regular umbrella liability policy.

Attorneys state as long as the center complies with state regulations and do not hire criminally convicted sex offenders, they are not at risk.

E. Equity Issue

Companies resist child care resources as it will only serve 6-10 percent of an employee base. However, over time it may serve 40 percent of your workforce, building loyalty. The studies have shown non-parents support child care and their higher morale relates to less "coverage" for the colleague who is late or absent due to child care problems.

Employees recognize that all benefits are not used equally by employees. Do you complain if a co-worker's brain tumor or car accident cost the company money?

Another bantered excuse is "if there is such a desperate shortage, let the private sector or federal government resolve it. We've been waiting since World War II." My response is, "We are affluent enough to do more than park our kids in a 'Kiddie Kennel'."

Why is Child Care Good for Business?

BENEFITS LIST

1. Return on Investment

*Human capital cannot be measure as easily as direct profits.

Return on investment data is soft, with the justification

primarily based on numerous testimony from early adapter companies. The payoff is significant, even if you can't adequately measure it. The tax advantage between a for-profit or not-for-profit subsidiary status is ever changing. Union Bank of Monterey Park, Calif., allocated $105,000 for its child care facility and saved between $138,000 and $232,000 during the first year of operation.

2. **Productivity**

*Decreased absenteeism, tardiness, accident rates and turnover.

In a Fortune magazine study, Ellen Galinsky found instabliity of child care is a significant predictor of ill health for employed women.

3. **Morale** -- employee work satisfaction and attitude

4. Public relations

5. Recruiting and retention tool

6. Community civic health.

Child development experts advise us the quality of the caregiver and stability of service (longevity) are crucial to

the child's intellectual development. The advantages of a corporate setting is that child care staff can be eligible for employee benefits and salaries above minimum range. As stewards of the future generation, we should strongly advocate
for corporate child care sessions.

(NOTE: Please "sidebar" the following:

What are companies doing?

Providing Services

*on-site or near-site child care center
*joint venture/consortium centers
*care for children with minor illness
*family day care network building
*after-school or summer camp care for school-age children

Financial Support

*salary reduction plan (flexible spending account)
*subsidies for child care expenses (vouchers, discounts)
*discounts negotiated to providers
*monies to fund start-up at schools or nonprofit centers

Time

*personnel policies that support family needs
*work at home option
*flex time
*permanent part-time
*job sharing
*expanded new parent leave option

Information

*parenting seminars at the workplace
*family issues support group
*counseling services, employee assistance program
*resource and referral networks
*in-house referral system (list of convenient child care resources with pre-employment package)

How You Can Get Started

Selecting your targets from the options list depends on your unique company needs, the blend of employees, management objectives and existing community resources.

You need a champion or advocacy group to explore the range of choices and to analyze the results of a needs assessment survey.

A task force committee can convene focus groups, study the marketplace, and assess management's response. Some companies hire a consultant like Sandra Burud or Ellen Galinsky who have assisted other companies with their child care initiative.

The commitment of space and qualified staff to create on on-site or near-site facility takes much energy and groundwork.

Just like an employee health promotion program, gaining the support of executives is a critical issue.

Conclusion

The surveys published over the last seven years report positive perceived benefits. The findings include:

*improved morale
*lower absenteeism
*more effective recruitment and retention
*positive public relations

We have begun to educate the corporate community on the value of quality child care. The skeptics blast child care services "is just another bell and whistle human resource

benefit program we are getting suckered into."

Child care services and child care supports within a company is predicted to be the pivotal human resource benefit of the 1990s. The early adapters are already reaping the benefits.

It took a strong constituency to convince business leaders wellness is a part of the business ethic. We need to build a case for child care. Demographics are destiny and we need corporate child care now. Companies competing for the best workers are initiating chid care services.

RECOMMENDED READING

A Mother's Work

Deborah Fellows

Houghton Mifflin Company

Boston, 1985

Child Care and Corporate Productivity

John P. Fernandez

D.C. Heath and Company

Lexington, MA 1986

Employer Supported Child Care: Investing in Human Resources

Burud, Aschbacher and McGrowkey

Auburn House

Dover, MA 1984

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Margery Leveen Sher and Gary Brown
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David E. Bloom and Todd Steen
American Demographics, August 1988